



Balancing economic returns with environmental concerns

World Tourism Forum Lucerne

Where global leaders meet the next generation

13 - 15 April 2011



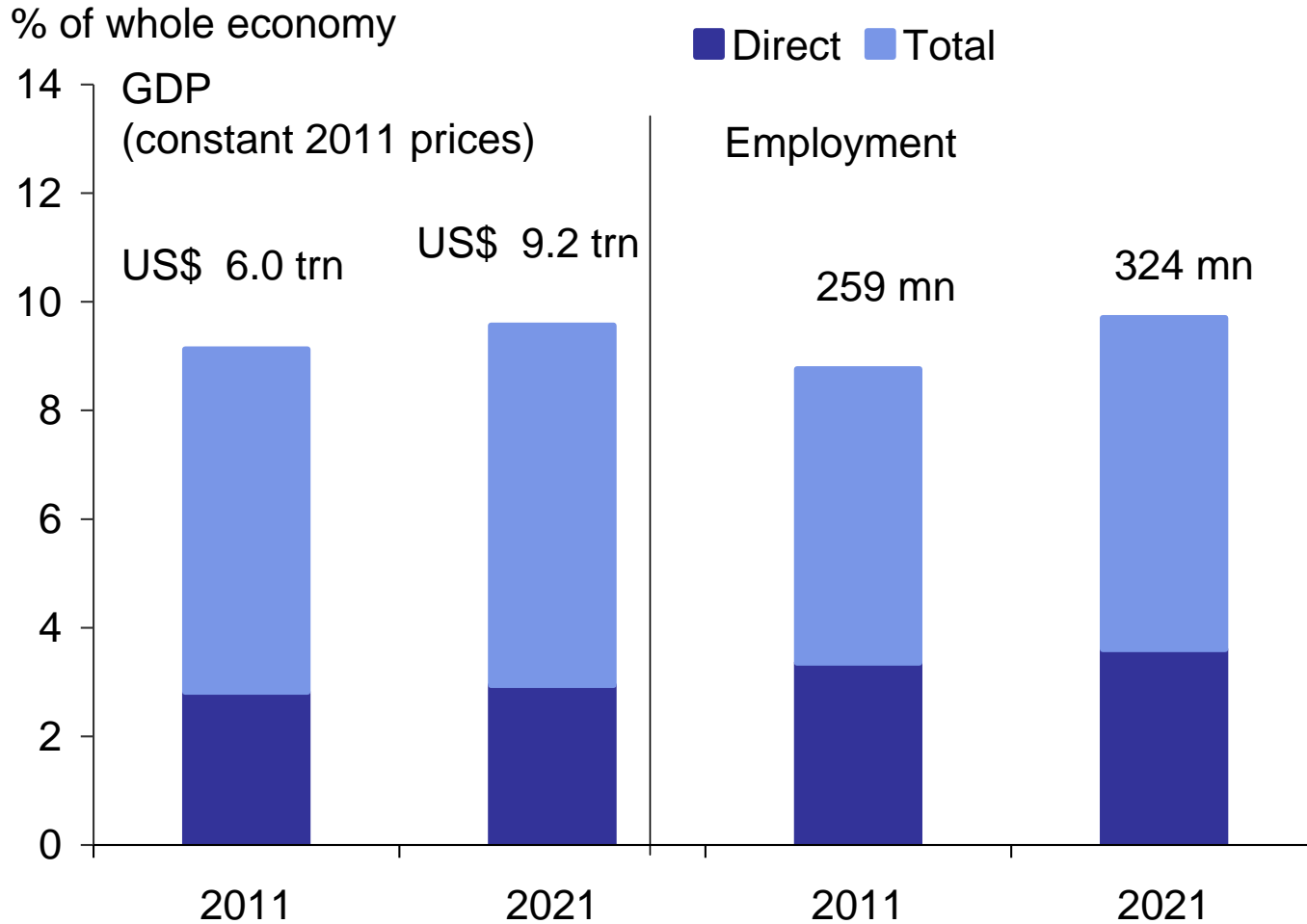


WORLD
TRAVEL &
TOURISM
COUNCIL

Travel & Tourism is an economic powerhouse to be fostered

TRAVEL & TOURISM'S SUBSTANTIAL GLOBAL ECONOMIC CONTRIBUTION

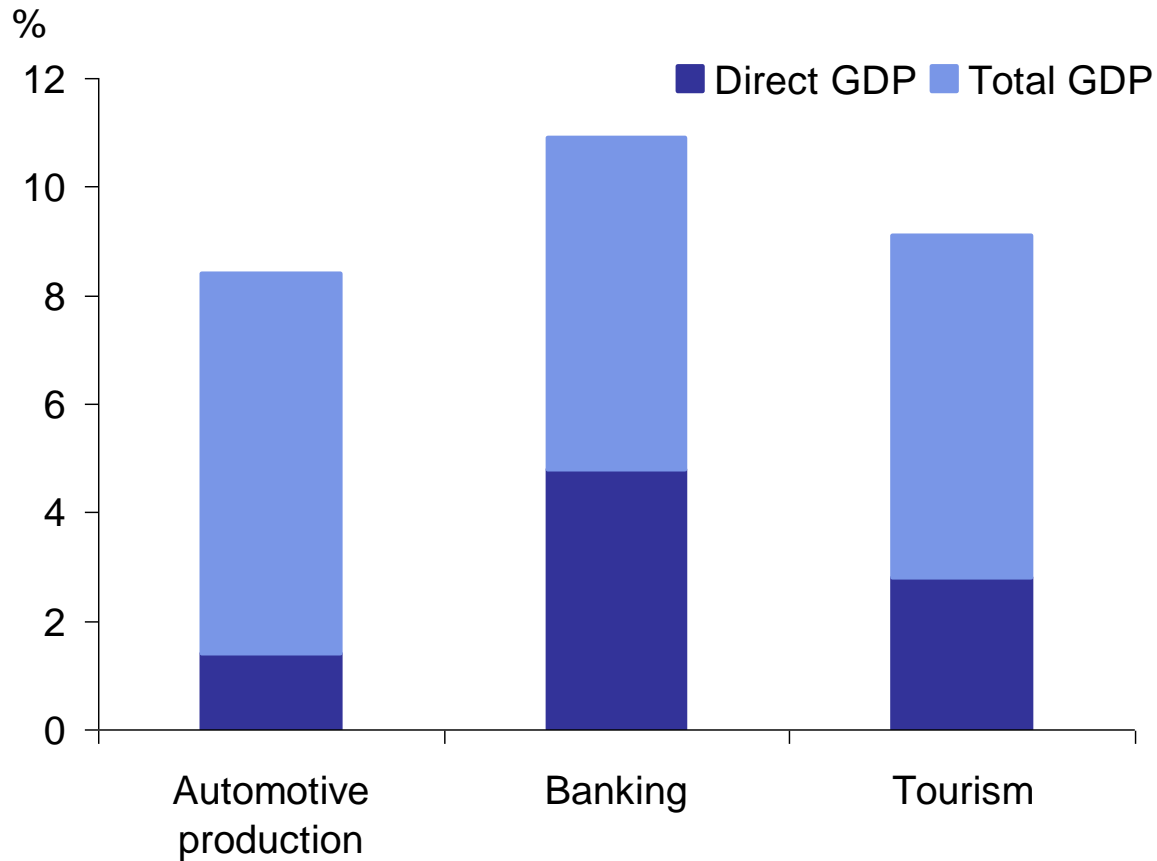
World Travel & Tourism outlook



Source : Oxford Economics

T&T'S CONTRIBUTION TO GLOBAL GDP COMPARED

GDP contribution by sector 2011



Source : Oxford Economics

Sustainability makes business sense

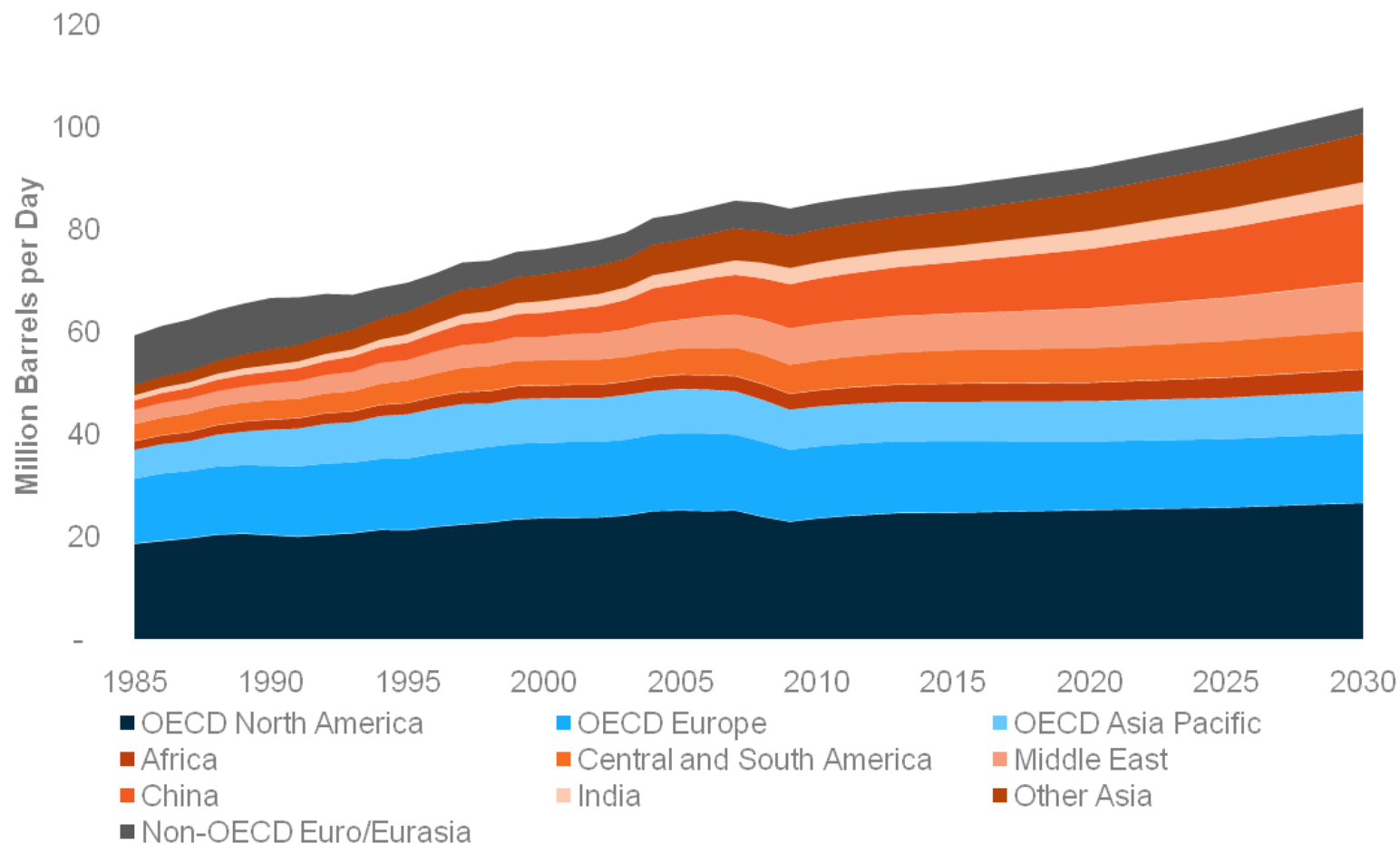


Sustainable business practices are critical

- Sustainable business practices are integral to the success of our industry
- Without pristine waters, coral reefs, forests, and jungles, we have compromised our very product
- Sustainable practices can also yield better margins through lower operating costs and market advantages with consumers

Oil consumption growth continues

WORLD OIL CONSUMPTION (HISTORICAL AND FORECAST)



Source: BP, plc., *Statistical Review of World Energy 2010*; U.S. Department of Energy, *International Energy Outlook 2010*

Travel & tourism is at the forefront of
sustainable business

Example #1: Aviation

- Today's aircraft are 75% quieter than those of 40 years ago
- Airlines contribute 8% of economic activity but less than 3% of man-made greenhouse gas (GHG) emissions
- Since 1978, US airlines have more than doubled fuel efficiency, saving 2.9B metric tons of CO₂ – the annual equivalent of taking approximately 19M cars off the road
- In the last decade, U.S. passenger and cargo airlines collectively realized a 25% gain in fuel efficiency
- Airlines investing in the development of commercially viable, environmentally friendly alternative fuels

Source: Air Transport Association

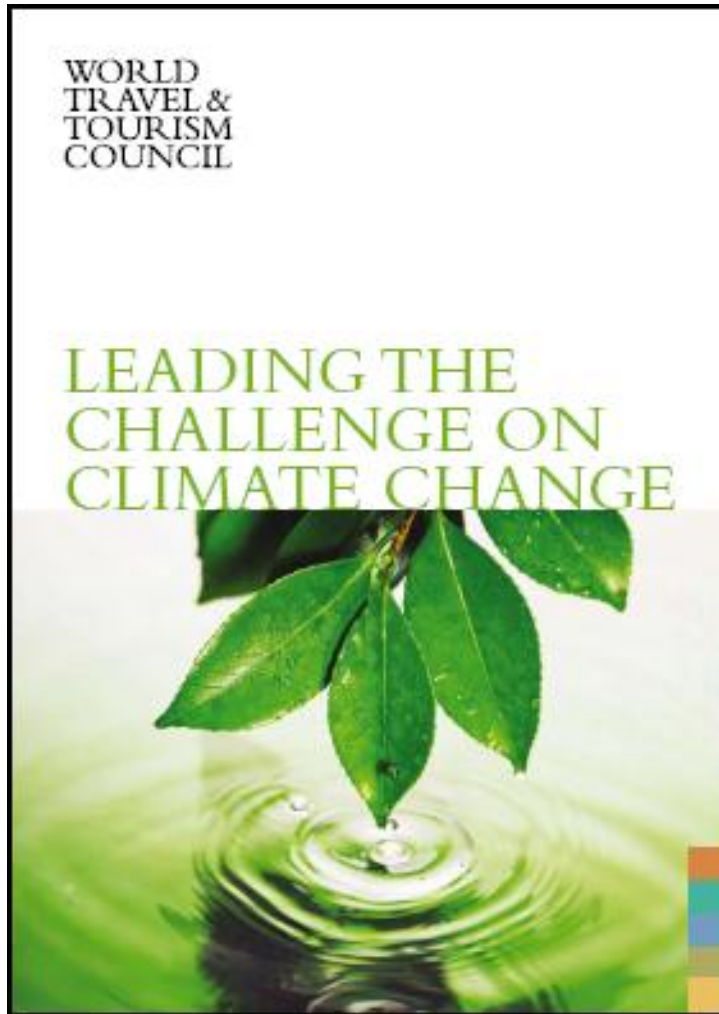
Example #2: Lodging

- Juma Sustainable Development Reserve
 - Marriott International committed US\$2 million to protect and preserve 1.4 million acres of endangered rainforest in the Amazon
 - Guests are able to contribute to the Juma fund to voluntarily offset the calculated emissions from their stay
 - First REDD (reduced emissions from deforestation and degradation) initiative validated to the Climate, Community, and Biodiversity Standards (CCBS) in Brazil

Example #3: Resort

- Installed a 80 kW windmill - the first utility-grade windmill installed in the Caribbean
- Air conditioners with heat recovery units, which convert the heat loss into hot water, in supplement to solar water heaters.
- Implemented a carbon offset program where all flights, local transport/activities by guests will be offset by carbon credits purchased by the resort
- Encourage other resorts to use green energy, practice energy conservation

The industry leading the way



BEST
PRACTICE
GATEWAY

Challenges

Challenge #1: Engagement

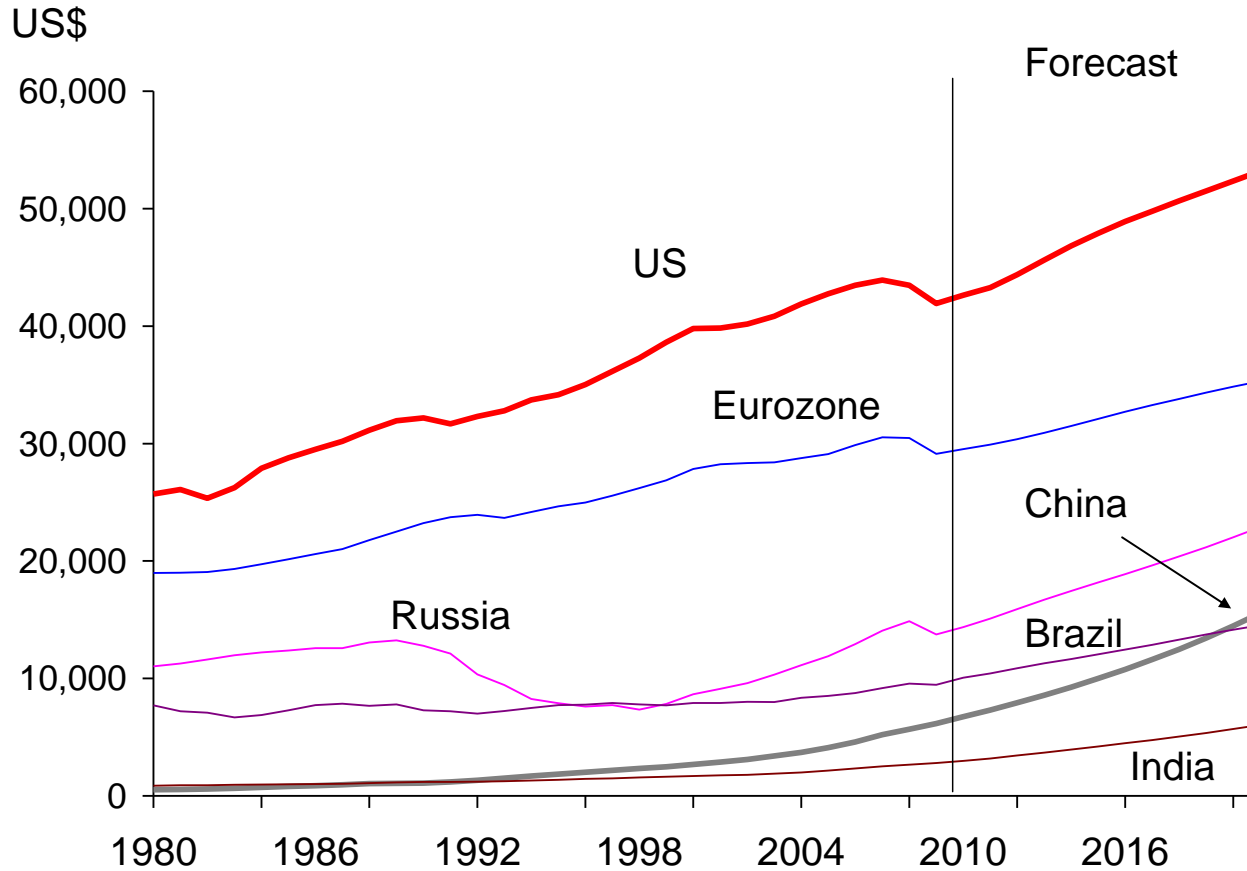
- The tourism industry is diverse
 - Over 80% of global Travel & Tourism activity is accounted for by small to medium-sized enterprises (SME's)
- Limited access to information
 - Knowledge
 - Resources
 - Energy efficiency

Challenge #2: Education

- Inform customers of the impact of climate change
- Invest in raising awareness and understanding among consumers
- Cost and convenience will remain key factors in travel decisions but the environmental impact of travel will become an important third factor for companies and individuals alike.

RISING LIVING STANDARDS WILL DRIVE LONG-TERM Travel & Tourism GROWTH...

GDP per capita (\$ppp)



Source : Oxford Economics

Challenge #3: Technology

- Innovate: UNWTO estimates suggest that over a third of CO2 mitigation potential over the next 20 years can be realized through technical efficiency
- Facilitate: technology transfers from developed to developing countries
- Integrate: new technologies and business models

A growing industry needs growing capacity

Challenge #4: Perception

- Many believe travel and tourism to be a relatively large contributor to global emissions. In fact, the travel industry is a relatively small contributor to global emissions
- New taxes have targeted the travel sector with environmental surcharges
- Need to communicate to policy makers...
 - the travel sector's continuous advances in sustainability
 - it's enormous economic value

Our opportunity is now



www.wttc.org

Thank You

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